

# House Study Bill 713

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
OF MANAGEMENT BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act concerning charter agencies and agencies designated as  
2 charter agencies, making appropriations, and providing an  
3 effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5268DP 80  
6 ec/pj/5

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1 1 DIVISION I  
1 2 GENERAL PROVISIONS  
1 3 Section 1. Section 7J.1, subsection 5, Code Supplement  
1 4 2003, is amended to read as follows:  
1 5 5. PROCUREMENT AND GENERAL SERVICES. A charter agency may  
1 6 waive any administrative rule regarding procurement, fleet  
1 7 management, printing and copying, or maintenance of buildings  
1 8 and grounds, and may exercise the authority of the department  
1 9 of administrative services as it relates to the physical  
1 10 resources of the state. A waiver of a rule pursuant to this  
1 11 subsection shall be indexed, filed, and made available for  
1 12 public inspection in the same manner as provided in section  
1 13 17A.9A, subsection 4. In addition, a charter agency,  
~~1 14 notwithstanding any provision of law to the contrary, may~~  
~~1 15 procure blemished or otherwise defective goods that the~~  
~~1 16 charter agency determines meet the needs of the agency.~~  
1 17 Sec. 2. Section 7J.1, Code Supplement 2003, is amended by  
1 18 adding the following new subsection:  
1 19 NEW SUBSECTION. 7A. EXECUTIVE COUNCIL FLEXIBILITY.  
1 20 Notwithstanding any provision of law to the contrary, a  
1 21 charter agency shall not be required to obtain executive  
1 22 council approval for claims for expenses of attending  
1 23 conventions, out-of-state travel requests, memberships in  
1 24 professional organizations, asset sales, and leases.  
1 25 DIVISION II  
1 26 ALCOHOLIC BEVERAGES DIVISION == ALCOHOL  
1 27 Sec. 3. Section 123.16, subsection 2, Code 2003, is  
1 28 amended to read as follows:  
1 29 2. The commission may review and affirm, reverse, or amend  
1 30 all actions of the administrator, including but not limited to  
1 31 the following instances:  
1 32 a. Purchases of alcoholic liquor and native wines for  
1 33 resale by the division.  
1 34 b. The establishment of wholesale prices of alcoholic  
1 35 liquor and native wines.  
2 1 Sec. 4. Section 123.20, subsections 1 and 7, Code  
2 2 Supplement 2003, are amended to read as follows:  
2 3 1. To receive alcoholic liquors and native wines on a  
2 4 bailment system for resale by the division in the manner set  
2 5 forth in this chapter.  
2 6 7. To accept intoxicating liquors and native wines ordered  
2 7 delivered to the alcoholic beverages division pursuant to  
2 8 chapter 809A, and offer for sale and deliver the intoxicating  
2 9 liquors and native wines to class "E" liquor control  
2 10 licensees, unless the administrator determines that the  
2 11 intoxicating liquors or native wines may be adulterated or  
2 12 contaminated. If the administrator determines that the  
2 13 intoxicating liquors or native wines may be adulterated or  
2 14 contaminated, the administrator shall order their destruction.  
2 15 Sec. 5. Section 123.21, subsections 2, 3, 6, and 8, Code  
2 16 2003, are amended to read as follows:  
2 17 2. Regulating the management, equipment, and merchandise  
2 18 of state warehouses in and from which alcoholic liquors and  
~~2 19 native wines~~ are transported, kept, or sold and prescribing  
2 20 the books and records to be kept therein.  
2 21 3. Regulating the purchase of alcoholic liquor and native  
~~2 22 wines~~ generally and the furnishing of the liquor or native

2 23 wine to class "E" liquor control licensees under this chapter,  
2 24 and determining the classes, varieties, and brands of  
2 25 alcoholic liquors and native wines to be kept in state  
2 26 warehouses.

2 27 6. Providing for the issuance and distribution of price  
2 28 lists which show the price to be paid by class "E" liquor  
2 29 control licensees for each brand, class, or variety of liquor  
2 30 or native wine kept for sale by the division, providing for  
2 31 the filing or posting of prices charged in sales between class  
2 32 "A" beer and class "A" wine permit holders and retailers, as  
2 33 provided in this chapter, and establishing or controlling the  
2 34 prices based on minimum standards of fill, quantity, or  
2 35 alcoholic content for each individual sale of intoxicating  
3 1 liquor, native wine, or beer as deemed necessary for retail or  
3 2 consumer protection. However, the division shall not regulate  
3 3 markups, prices, discounts, allowances, or other terms of sale  
3 4 at which alcoholic liquor or native wine may be purchased by  
3 5 the retail public or liquor control licensees from class "E"  
3 6 liquor control licensees or at which wine may be purchased and  
3 7 sold by class "A" and retail wine permittees, or change,  
3 8 nullify, or vary the terms of an agreement between a holder of  
3 9 a vintner certificate of compliance and a class "A" wine  
3 10 permittee.

3 11 8. Prescribing, subject to this chapter, the days and  
3 12 hours during which state warehouses shall be kept open for the  
3 13 purpose of the sale and delivery of alcoholic liquors and  
3 14 native wines.

3 15 Sec. 6. Section 123.22, unnumbered paragraph 1, Code 2003,  
3 16 is amended to read as follows:

3 17 The division has the exclusive right of importation into  
3 18 the state of all forms of alcoholic liquor, except as  
3 19 otherwise provided in this chapter, and a person shall not  
3 20 import alcoholic liquor, except that an individual of legal  
3 21 age may import and have in the individual's possession an  
3 22 amount of alcoholic liquor not exceeding one liter or, in the  
3 23 case of alcoholic liquor personally obtained outside the  
3 24 United States, four liters for personal consumption only in a  
3 25 private home or other private accommodation. A distillery  
3 26 shall not sell alcoholic liquor within the state to any person  
3 27 but only to the division, except as otherwise provided in this  
3 28 chapter. This section vests in the division exclusive control  
3 29 within the state as purchaser of all alcoholic liquor sold by  
3 30 distilleries within the state or imported, except beer and  
3 31 wine, and except as otherwise provided in this chapter. The  
3 32 division shall receive alcoholic liquor and native wine on a  
3 33 bailment system for resale by the division in the manner set  
3 34 forth in this chapter. The division shall act as the sole  
3 35 wholesaler of alcoholic liquor to class "E" liquor control  
4 1 licensees.

4 2 Sec. 7. Section 123.24, Code 2003, is amended to read as  
4 3 follows:

4 4 123.24 ALCOHOLIC LIQUOR AND NATIVE WINE SALES BY THE  
4 5 DIVISION == DISHONORED CHECKS == LIQUOR PRICES.

4 6 1. The division shall sell alcoholic liquor and native  
4 7 wine at wholesale only. The division shall sell alcoholic  
4 8 liquor and native wine to class "E" liquor control licensees  
4 9 or authorized purchasers only. The division shall offer the  
4 10 same price on alcoholic liquor and native wine to all class  
4 11 "E" liquor control licensees without regard for the quantity  
4 12 of purchase or the distance for delivery. However, the  
4 13 division may assess a split-case charge when liquor or native  
4 14 wine is sold in quantities which require a case to be split.  
4 15 For purposes of this section, an "authorized purchaser" is a  
4 16 person not eligible to obtain a class "E" liquor control  
4 17 license that the division determines should be eligible to  
4 18 purchase alcoholic liquor and native wine at wholesale  
4 19 pursuant to this section.

4 20 2. a. The division may accept from a class "E" liquor  
4 21 control licensee or an authorized purchaser a cashier's check  
4 22 which shows the licensee or purchaser is the remitter or a  
4 23 check issued by the licensee or purchaser in payment of  
4 24 alcoholic liquor or native wine. If a check is subsequently  
4 25 dishonored, the division shall cause a notice of nonpayment  
4 26 and penalty to be served upon the authorized purchaser, class  
4 27 "E" liquor control licensee, or upon any person in charge of  
4 28 the licensed premises. The notice shall state that if payment  
4 29 or satisfaction for the dishonored check is not made within  
4 30 ten days of the service of notice, the licensee's liquor  
4 31 control license may be suspended under section 123.39 or the  
4 32 authorized purchaser's ability to purchase may be suspended by  
4 33 the administrator. The notice of nonpayment and penalty shall

4 34 be in a form prescribed by the administrator, and shall be  
4 35 sent by certified mail.

5 1 b. If upon notice and hearing under section 123.39 and  
5 2 pursuant to the provisions of chapter 17A concerning a  
5 3 contested case hearing, the administrator determines that the  
5 4 class "E" liquor control licensee failed to satisfy the  
5 5 obligation for which the check was issued within ten days  
5 6 after the notice of nonpayment and penalty was served on the  
5 7 licensee as provided in paragraph "a" of this subsection, the  
5 8 administrator may suspend the licensee's class "E" liquor  
5 9 control license for a period not to exceed ten days.

5 10 3. The administrator may refuse to sell alcoholic liquor  
5 11 and native wine to a class "E" liquor control licensee or an  
5 12 authorized purchaser who tenders a check or electronic funds  
5 13 transfer which is subsequently dishonored until the  
5 14 outstanding obligation is satisfied.

5 15 4. The price of alcoholic liquor and native wine sold by  
5 16 the division shall include a markup of up to fifty percent of  
5 17 the wholesale price paid by the division for the alcoholic  
5 18 liquor and native wine. The markup shall apply to all  
5 19 alcoholic liquor and native wine sold by the division;  
5 20 however, the division may increase the markup on selected  
5 21 kinds of alcoholic liquor and native wine sold by the division  
5 22 if the average return to the division on all sales of  
5 23 alcoholic liquor and native wine does not exceed the wholesale  
5 24 price paid by the division and the fifty percent markup. The  
5 25 markup received by the division for the sale of native wine  
5 26 shall be deposited as provided in section 123.183, subsection  
5 27 3.

5 28 5. Notwithstanding subsection 4, the division shall assess  
5 29 a bottle surcharge to be included in the price of alcoholic  
5 30 liquor and native wine in an amount sufficient, when added to  
5 31 the amount not refunded to class "E" liquor control licensees  
5 32 or authorized purchasers pursuant to section 455C.2, to pay  
5 33 the costs incurred by the division for collecting and properly  
5 34 disposing of the liquor and native wine containers. The  
5 35 amount collected pursuant to this subsection, in addition to  
6 1 any amounts not refunded to class "E" liquor control licensees  
6 2 or authorized purchasers pursuant to section 455C.2, shall be  
6 3 deposited in the beer and liquor control fund established  
6 4 under section 123.53.

6 5 Sec. 8. Section 123.25, Code 2003, is amended to read as  
6 6 follows:

6 7 123.25 CONSUMPTION ON PREMISES.

6 8 An officer, clerk, agent, or employee of the division  
6 9 employed in a state-owned warehouse shall not allow any  
6 10 alcoholic liquor or native wine to be consumed on the  
6 11 premises, nor shall a person consume any liquor or native wine  
6 12 on the premises except for testing or sampling purposes only.

6 13 Sec. 9. Section 123.27, unnumbered paragraph 1, Code 2003,  
6 14 is amended to read as follow:

6 15 It is unlawful to transact the sale or delivery of  
6 16 alcoholic liquor or native wine in, on, or from the premises  
6 17 of a state warehouse:

6 18 Sec. 10. Section 123.27, subsection 3, Code 2003, is  
6 19 amended by striking the subsection.

6 20 Sec. 11. Section 123.28, Code 2003, is amended to read as  
6 21 follows:

6 22 123.28 RESTRICTIONS ON TRANSPORTATION.

6 23 It is lawful to transport, carry, or convey alcoholic  
6 24 liquors and native wines from the place of purchase by the  
6 25 division to a state warehouse or depot established by the  
6 26 division or from one such place to another and, when so  
6 27 permitted by this chapter, it is lawful for the division, a  
6 28 common carrier, or other person to transport, carry, or convey  
6 29 alcoholic liquor and native wine sold from a state warehouse,  
6 30 depot, or point of purchase by the state to any place to which  
6 31 the liquor or native wine may be lawfully delivered under this  
6 32 chapter. The division shall deliver alcoholic liquor and  
6 33 native wine purchased by class "E" liquor control licensees

6 34 from the division. Class "E" liquor control licensees may  
6 35 deliver alcoholic liquor and native wine purchased by class  
7 1 "A", "B", or "C" liquor control licensees, and class "A", "B",  
7 2 or "C" liquor control licensees may transport alcoholic liquor  
7 3 and native wine purchased from class "E" liquor control  
7 4 licensees. A common carrier or other person shall not break  
7 5 or open or allow to be broken or opened a container or package  
7 6 containing alcoholic liquor or native wine or use or drink or  
7 7 allow to be used or drunk any alcoholic liquor or native wine  
7 8 while it is being transported or conveyed, but this section  
7 9 does not prohibit a private person from transporting

7 10 individual bottles or containers of alcoholic liquor or native  
7 11 wine exempted pursuant to section 123.22 and individual  
7 12 bottles or containers bearing the identifying mark prescribed  
7 13 in section 123.26 which have been opened previous to the  
7 14 commencement of the transportation. This section does not  
7 15 affect the right of a special permit or liquor control license  
7 16 holder to purchase, possess, or transport alcoholic liquors  
7 17 and native wines subject to this chapter.

7 18 Sec. 12. Section 123.30, subsection 3, paragraph e,  
7 19 unnumbered paragraph 1, Code 2003, is amended to read as  
7 20 follows:

7 21 CLASS "E". A class "E" liquor control license may be  
7 22 issued and shall authorize the holder to purchase alcoholic  
7 23 liquor from the division only and to purchase native wine from  
7 24 the division, and to sell the alcoholic liquor and native wine  
7 25 to patrons for consumption off the licensed premises and to  
7 26 other liquor control licensees. A class "E" license shall not  
7 27 be issued to premises at which gasoline is sold. A holder of  
7 28 a class "E" liquor control license may hold other retail  
7 29 liquor control licenses or retail wine or beer permits, but  
7 30 the premises licensed under a class "E" liquor control license  
7 31 shall be separate from other licensed premises, though the  
7 32 separate premises may have a common entrance. However, the  
7 33 holder of a class "E" liquor control license may also hold a  
7 34 class "B" wine or class "C" beer permit or both for the  
7 35 premises licensed under a class "E" liquor control license.

8 1 Sec. 13. Section 123.38, unnumbered paragraph 2, Code  
8 2 2003, is amended to read as follows:

8 3 Any licensee or permittee, or the licensee's or permittee's  
8 4 executor or administrator, or any person duly appointed by the  
8 5 court to take charge of and administer the property or assets  
8 6 of the licensee or permittee for the benefit of the licensee's  
8 7 or permittee's creditors, may voluntarily surrender a license  
8 8 or permit to the division. When a license or permit is  
8 9 surrendered the division shall notify the local authority, and  
8 10 the division or the local authority shall refund to the person  
8 11 surrendering the license or permit, a proportionate amount of  
8 12 the fee received by the division or the local authority for  
8 13 the license or permit as follows: if a license or permit is  
8 14 surrendered during the first three months of the period for  
8 15 which it was issued, the refund shall be three-fourths of the  
8 16 amount of the fee; if surrendered more than three months but  
8 17 not more than six months after issuance, the refund shall be  
8 18 one-half of the amount of the fee; if surrendered more than  
8 19 six months but not more than nine months after issuance, the  
8 20 refund shall be one-fourth of the amount of the fee. No  
8 21 refund shall be made, however, for any special liquor permit,  
8 22 nor for a liquor control license, wine permit, or beer permit  
8 23 surrendered more than nine months after issuance or if the  
8 24 amount of the refund would be fifty dollars or less. For

8 25 purposes of this paragraph, any portion of license or permit  
8 26 fees used for the purposes authorized in section 331.424,  
8 27 subsection 1, paragraphs "a" and "b", and in section 331.424A,  
8 28 shall not be deemed received either by the division or by a  
8 29 local authority. No refund shall be made to any licensee or  
8 30 permittee, upon the surrender of the license or permit, if  
8 31 there is at the time of surrender, a complaint filed with the  
8 32 division or local authority, charging the licensee or  
8 33 permittee with a violation of this chapter. If upon a hearing  
8 34 on a complaint the license or permit is not revoked or  
8 35 suspended, then the licensee or permittee is eligible, upon  
9 1 surrender of the license or permit, to receive a refund as  
9 2 provided in this section; but if the license or permit is  
9 3 revoked or suspended upon hearing the licensee or permittee is  
9 4 not eligible for the refund of any portion of the license or  
9 5 permit fee.

9 6 Sec. 14. Section 123.55, subsections 4 and 5, Code 2003,  
9 7 are amended to read as follows:

9 8 4. The total quantity and particular kind of alcoholic  
9 9 liquor and native wine sold.

9 10 5. The increase or decrease of liquor and native wine  
9 11 sales from the previous reporting period.

9 12 Sec. 15. Section 123.56, subsection 1, Code Supplement  
9 13 2003, is amended to read as follows:

9 14 1. Subject to rules of the division, manufacturers of  
9 15 native wines from grapes, cherries, other fruits or other  
9 16 fruit juices, vegetables, vegetable juices, dandelions,  
9 17 clover, honey, or any combination of these ingredients,  
9 18 holding a class "A" wine permit as required by this chapter,  
9 19 may sell, keep, or offer for sale and deliver the wine. Sales  
9 20 may be made at retail for off-premises consumption when sold

9 21 on the premises of the manufacturer, or in a retail  
9 22 establishment operated by the manufacturer. Sales may be made  
9 23 at wholesale by the division as provided by section 123.24.  
9 24 Sales may also be made to class "A" or retail wine permittees  
9 25 or liquor control licensees as authorized by the class "A"  
9 26 wine permit.  
9 27 Sec. 16. Section 123.183, subsection 1, Code Supplement  
9 28 2003, is amended to read as follows:  
9 29 1. In addition to the annual permit fee to be paid by each  
9 30 class "A" wine permittee, a wine gallonage tax shall be levied  
9 31 and collected from each class "A" wine permittee on all wine  
9 32 manufactured for sale and sold in this state at wholesale and  
9 33 on all wine imported into this state for sale at wholesale and  
9 34 sold in this state at wholesale. However, the wine gallonage  
9 35 tax shall not be levied on native wines sold by the division  
10 1 at wholesale pursuant to section 123.24. The rate of the wine  
10 2 gallonage tax is one dollar and seventy-five cents for each  
10 3 wine gallon. The same rate shall apply for the fractional  
10 4 parts of a wine gallon. The wine gallonage tax shall not be  
10 5 levied or collected on wine sold by one class "A" wine  
10 6 permittee to another class "A" wine permittee.  
10 7 Sec. 17. Section 123.183, subsection 3, Code Supplement  
10 8 2003, is amended to read as follows:  
10 9 3. The revenue collected from the wine gallonage tax on  
10 10 wine imported into this state for sale at wholesale and sold  
10 11 in this state at wholesale and from the markup of native wines  
10 12 sold at wholesale by the division shall be deposited as  
10 13 follows:  
10 14 a. The revenue collected during each fiscal year from the  
10 15 wine gallonage tax on wine imported into this state at  
10 16 wholesale and sold in this state at wholesale and from the  
10 17 markup of native wines sold at wholesale by the division that  
10 18 is in excess of the revenue collected from such tax and markup  
10 19 during the previous fiscal year as provided in section 8.22A  
10 20 shall be deposited in the grape and wine development fund as  
10 21 created in section 175A.5. However, not more than seventy=  
10 22 five thousand dollars from such tax and markup shall be  
10 23 deposited into the grape and wine development fund during any  
10 24 fiscal year.  
10 25 b. The remaining revenue collected from the wine gallonage  
10 26 tax on wine imported into this state for sale at wholesale and  
10 27 sold in this state at wholesale and from the markup of native  
10 28 wines sold at wholesale by the division shall be deposited in  
10 29 the beer and liquor control fund created in section 123.53.  
10 30  
10 31 DIVISION III  
10 32 DEPARTMENT OF NATURAL RESOURCES  
10 33 Sec. 18. Section 23A.2, Code Supplement 2003, is amended  
10 34 by adding the following new subsection:  
10 35 NEW SUBSECTION. 11. The department of natural resources  
11 1 may offer for sale goods or services to the public as  
11 2 authorized pursuant to section 455A.4.  
11 3 Sec. 19. Section 455A.4, Code Supplement 2003, is amended  
11 4 by adding the following new subsection:  
11 5 NEW SUBSECTION. 6. The department may acquire, and sell  
11 6 to the public, merchandise designed to promote the mission of  
11 7 the department as described in section 455A.2. The department  
11 8 may establish a fund to receive proceeds from the sale of such  
11 9 merchandise. Moneys received from the sale of such  
11 10 merchandise by the department shall be deposited in the  
11 11 general fund of the state unless the department establishes a  
11 12 separate fund for deposit of such moneys. If a fund is  
11 13 established by the department, moneys deposited in the fund  
11 14 shall be used for promotion and educational purposes related  
11 15 to departmental responsibilities and for the payment of  
11 16 expenses related to the acquisition and sale of merchandise.  
11 17 Sec. 20. Section 455B.105, subsection 11, paragraph b,  
11 18 Code Supplement 2003, is amended to read as follows:  
11 19 b. Except as otherwise provided in this chapter and  
11 20 chapter 459, fees collected by the department under this  
11 21 subsection shall be remitted to the treasurer of state and  
11 22 credited to the ~~general fund of the state~~ environmental  
11 23 protection fund created in section 455B.106.  
11 24 Sec. 21. NEW SECTION. 455B.106 ENVIRONMENTAL PROTECTION  
11 25 FUND.  
11 26 1. An environmental protection fund is created in the  
11 27 state treasury under the control of the department. Except as  
11 28 provided otherwise in this chapter, the fund consists of  
11 29 moneys appropriated to the fund by the general assembly,  
11 30 moneys deposited into the fund from fees as provided in  
11 31 section 455B.105, subsection 11, and other moneys available to  
11 32 and obtained or accepted by the department from the United

11 32 States government or private sources for deposit in the fund.  
11 33 Moneys in the fund are appropriated to the department to be  
11 34 used for purposes of carrying out the provisions of this  
11 35 chapter which relate to the administration, regulation, and  
12 1 enforcement of the environmental protection laws of this  
12 2 chapter.

12 3 2. Moneys in the fund are subject to an annual audit by  
12 4 the auditor of state. The fund is subject to warrants by the  
12 5 director of the department of administrative services, drawn  
12 6 upon the written requisition of the department.

12 7 3. Sections 8.33 and 12C.7 do not apply to moneys in the  
12 8 fund. Moneys unexpended at the end of each fiscal year shall  
12 9 be retained in the fund. Moneys earned as income, including  
12 10 interest from the fund, shall remain in the fund until  
12 11 expended.

12 12 4. On or before November 15 of each fiscal year, the  
12 13 department shall transmit to the department of management and  
12 14 the legislative services agency information regarding the  
12 15 fund, including all of the following:

12 16 a. The balance of unobligated and unencumbered moneys in  
12 17 the fund as of November 1.

12 18 b. A summary of revenue deposited in and expenditures from  
12 19 the fund during the current fiscal year.

12 20 c. Estimates of revenues expected to be deposited into the  
12 21 fund during the current fiscal year, and an estimate of the  
12 22 expected balance of unobligated and unencumbered moneys in the  
12 23 fund on June 30 of the current fiscal year.

#### 12 24 DIVISION IV

#### 12 25 IOWA VETERANS HOME

12 26 Sec. 22. 2003 Iowa Acts, chapter 175, section 56,  
12 27 subsection 2, paragraph g, is amended to read as follows:

12 28 g. Notwithstanding section 8.33, up to ~~\$500,000~~ seventy  
12 29 percent of the Iowa veterans home revenues that remain  
12 30 unencumbered or unobligated at the close of the fiscal year  
12 31 shall not revert but shall remain available to be used in the  
12 32 succeeding fiscal year.

12 33 Sec. 23. EFFECTIVE DATE. The section of this division of  
12 34 this Act amending 2003 Iowa Acts, chapter 175, section 56,  
12 35 being deemed of immediate importance, takes effect upon  
13 1 enactment.

#### 13 2 EXPLANATION

13 3 This bill concerns charter agencies and makes changes  
13 4 relative to all charter agencies and to provisions applicable  
13 5 to agencies that have been designated a charter agency by the  
13 6 governor pursuant to the authority of Code section 7J.1.

13 7 GENERAL PROVISIONS. This division of the bill makes  
13 8 changes applicable to all charter agencies.

13 9 Code section 7J.1, subsection 5, concerning procurement by  
13 10 charter agencies, is amended to allow charter agencies to  
13 11 obtain blemished and defective goods if the agency determines  
13 12 they meet the agency's needs.

13 13 Code section 7J.1 is also amended by adding a new  
13 14 subsection that allows a charter agency to approve claims for  
13 15 expenses in attending conventions, out-of-state travel  
13 16 requests, memberships in professional organizations, asset  
13 17 sales, and leases without being required to obtain executive  
13 18 council approval.

13 19 ALCOHOLIC BEVERAGES DIVISION == ALCOHOL. Code chapter 123  
13 20 is amended to allow the alcoholic beverages division of the  
13 21 department of commerce to sell native wines at wholesale in a  
13 22 similar manner as the sale of alcoholic liquors. Code section  
13 23 123.24, subsection 4, and Code section 123.183, are amended to  
13 24 provide that the markup applied to the sale of native wine  
13 25 shall be deposited in the same manner as the wine gallonage  
13 26 tax. Code section 123.183 is also amended to exempt the sale  
13 27 of native wines by the division from the wine gallonage tax.

13 28 Code section 123.24, concerning the sale of alcoholic  
13 29 liquor at wholesale, is also amended to allow the division to  
13 30 sell liquor at wholesale to purchasers the division  
13 31 authorizes. Under current law, the division may only sell  
13 32 alcoholic liquor to class "E" liquor control licensees.

13 33 Code section 123.27, subsection 3, is amended to allow the  
13 34 sale or delivery of alcoholic liquor and native wine from the  
13 35 premises of a state warehouse on Sunday.

14 1 Code section 123.38, concerning the surrender of permits or  
14 2 licenses, is amended to provide the division is not required  
14 3 to refund any fees paid if the amount of the refund would be  
14 4 \$50 or less.

14 5 DEPARTMENT OF NATURAL RESOURCES. Code section 455A.4 is  
14 6 amended to allow the department of natural resources to sell  
14 7 merchandise designed to promote the mission of the department

14 8 to the public. This provision also allows the department to  
14 9 establish a fund for the deposit of proceeds from sales and to  
14 10 use the money for promotional and educational purposes of the  
14 11 department. Code section 23A.2, concerning noncompetition  
14 12 with the private sector, is amended to permit the department  
14 13 to offer goods or services to the public. As required by Code  
14 14 section 23A.2A, these provisions of the bill may cause a state  
14 15 agency or political subdivision to offer for sale to the  
14 16 public a service or product that competes with private  
14 17 enterprise.

14 18 The bill also creates an environmental protection fund.  
14 19 Moneys in the fund shall be used for carrying out the  
14 20 administration, regulation, and enforcement of environmental  
14 21 protection laws. Code section 455B.105, subsection 11,  
14 22 concerning fees for permits, is amended to provide that fees  
14 23 collected shall be deposited into the new fund and not the  
14 24 general fund. The bill provides that moneys in the fund, and  
14 25 interest earned, shall remain in the fund and do not revert to  
14 26 the general fund. The bill provides for information  
14 27 concerning the fund to be provided to the department of  
14 28 management and the legislative services agency.

14 29 IOWA VETERANS HOME. 2003 Iowa Acts, chapter 175, section  
14 30 56, providing for the appropriation to the Iowa veterans home  
14 31 for the fiscal year beginning July 1, 2003, is amended to  
14 32 provide that up to 70 percent, instead of \$500,000, of the  
14 33 Iowa veterans home revenues that remain unencumbered or  
14 34 unobligated at the close of the fiscal year shall not revert  
14 35 but shall remain available to be used in the succeeding fiscal  
15 1 year. This provision takes effect upon enactment.

15 2 LSB 5268DP 80

15 3 ec/pj/5